

CHAPTER 56  
ENTREPRENEURS WITH DISABILITIES PROGRAM

[Prior to 7/19/95, see 261—Ch 30]

**261—56.1(15) Purpose.** The department of economic development works in collaboration with the department of education, division of vocational rehabilitation, and the Iowa department for the blind to administer the entrepreneurs with disabilities program. The purpose of the entrepreneurs with disabilities program is to provide technical assistance, business development grants, and financial assistance grants to qualified Iowans with disabilities.

**261—56.2(15) Definitions.** As used in this chapter, unless the context otherwise requires:

*“Business plan”* means a written document which includes the following components: (1) a description of the business, (2) an organization plan including information regarding legal form of business and owner/operator qualifications, (3) a marketing plan which includes information regarding competition, location, targeted markets, product/service description, market need, promotional plan, and sales/marketing methods, (4) a financial plan including information relative to fixed assets owned or needed, working capital needs, a two-year cash flow projection, a two-year projected profit and loss statement, and a personal budget, and (5) other information deemed necessary by the IDED for a clearer understanding of the business plan.

*“Client”* means an individual who is an active client of the department of education, division of vocational rehabilitation, or the Iowa department for the blind.

*“Consultant”* means a person or organization providing specific business technical assistance.

*“Counselor”* means a designated case counselor working for the department of education, division of vocational rehabilitation, or the Iowa department for the blind.

*“DVR/IDB”* means the Iowa department of education, division of vocational rehabilitation, and the Iowa department for the blind.

*“Financial assistance grant”* means moneys awarded to an applicant based upon a sources and uses statement form. These moneys may be used for, but are not limited to, equipment purchases and working capital. Working capital may include, but is not limited to, design and printing of marketing materials, advertising, rent (up to six months), direct mail postage costs, raw materials, inventory, insurance, and other start-up, expansion or acquisition costs. Financial assistance grants shall not exceed 50 percent of the financial package (up to \$10,000) required to start up, expand or acquire a business. The administrator of the DVR or IDB will reserve the authority to waive the 50 percent or \$10,000 criteria in individual circumstances.

*“Follow-up technical assistance”* means grant moneys provided on behalf of an applicant to hire consultant(s) for a specified number of hours to provide business technical assistance subsequent to the start-up, expansion or acquisition of business.

*“IDED”* means the Iowa department of economic development.

*“Program manager”* means the designated manager of the entrepreneurs with disabilities program for the Iowa department of economic development.

*“Project plan and budget form”* means a form that identifies specific steps in the business planning process, the consultant(s) who will provide such service, budgetary guidelines, and a timeline. Project plan and budget forms are provided to an applicant by IDED following evaluation and scoring of an application for the entrepreneurs with disabilities program.

*“Sources and uses statement forms”* means a form that defines the specific financial needs for business start-up, expansion, or acquisition. Sources and uses statement forms are provided to an applicant by IDED following evaluation and scoring of an application for the entrepreneurs with disabilities program and the submission and review by IDED of a business plan.

*“Technical assistance grant”* means moneys awarded on behalf of an applicant to hire consultants to assist an applicant with specialized technical assistance such as an introductory business orientation workshop, market analysis, marketing plans, engineering, legal, computer services, financial packaging, or follow-up technical assistance. These moneys may not be used to subsidize business operations and are based upon the project plan and budget form. Technical assistance grants shall not exceed \$10,000 per client unless authorized by the administrator of the DVR or IDB.

**261—56.3(15) Eligibility requirements.** Clients of the division of vocational rehabilitation services or department for the blind may apply for the entrepreneurs with disabilities program.

**261—56.4(15) Application procedure.**

**56.4(1) Application.** Application materials for the entrepreneurs with disabilities program are available from the division of vocational rehabilitation, Iowa department for the blind, and Iowa department of economic development.

**56.4(2) Submittal.** Completed applications shall be submitted to the DVR or the IDB counselor.

**56.4(3) Review.** Applications will be forwarded to the IDED program manager for review. Applications receiving a minimum score of 60 points out of a total of 100 points will be eligible to pursue a technical assistance grant or a financial assistance grant. If the application is for financial assistance only, a business plan will be required at the time of submission of the application. Business plans receiving a minimum score of 75 points out of a total of 100 points will be eligible to pursue a financial assistance grant. Approval of a technical assistance grant is based upon acceptance of a project plan and budget form. Approval of a financial assistance grant is based upon acceptance of a business plan and a sources and uses statement form. A decision on all applications and forms will generally be issued within 30 days of submission with notification by letter to the applicant and the DVR or the IDB counselor.

**56.4(4) Applications for technical assistance—evaluation factors.** Applications for the entrepreneurs with disabilities program will be reviewed and evaluated using a 100-point system, based upon the following criteria:

*a. Descriptive and organization information* 0 - 30 points. Does the applicant have education, skills, and work experience relevant to the proposed business venture? Does the applicant document previous management or accounting experience? Is the applicant clear as to the nature of the business?

*b. Market information* 0 - 30 points. Does the application indicate a clear understanding of potential customer groups and how to reach them? Does the application show sufficient knowledge of products/services, competition, and marketing methods? Does the applicant understand the critical issue of location?

*c. Financial information* 0 - 30 points. Does the application demonstrate an understanding of how to estimate sales potential? Does the applicant indicate knowledge of estimated capital requirements for business start-up, expansion or acquisition?

*d. Creditworthiness* 0 - 10 points. Does the applicant's past credit history demonstrate responsible behavior? Awards may not be made if the applicant has a credit history showing delinquent credit obligations including, but not limited to, unpaid income tax, delinquent child support obligations, or defaulted student loans.

**56.4(5) Applications for financial assistance—evaluation factors for business plans.** Applications for financial assistance from the entrepreneurs with disabilities program will be reviewed and evaluated using a 100-point system, based upon the following criteria:

*a. Feasibility* 0 - 25 points possible. Feasibility will be considered based upon the overall business plan. Rating factors for this criterion include, but are not limited to: market analysis, financial projections, initial capitalization, management, and historic data relative to similar businesses. A minimum of 15 points is required for this rating factor.

*b. Market plan* 0 - 25 points possible. Does the business plan contain sufficient information to demonstrate that the applicant fully understands who its customers will be and how to reach them? Is there adequate information about competition, market need, location, sales/marketing methods and a product/service description? Is a promotional plan included in the business plan? A minimum of 15 points is required for this rating factor.

*c. Financial plan* 0 - 25 points possible. Does the business plan contain a two-year cash flow projection and profit and loss projection? Is there an itemized listing of fixed asset, working capital and other start-up, expansion or acquisition needs, including detailed descriptions of equipment to be purchased? Is there a clear statement regarding the composure of the anticipated financial package? Has the applicant provided a personal financial statement along with a detailed personal monthly budget? A minimum of 15 points is required for this rating factor.

*d. Organizational information* 0 - 25 points possible. Does the business plan document sufficient education and work experience relevant to the proposed business? Does the business plan demonstrate adequate management experience by the principal party(ies)? A minimum of 15 points is required for this rating factor.

**56.4(6) Appeal of application evaluation.** If an application is denied based upon the assignment of inadequate evaluation score, an applicant may appeal the decision to the department of education, division of vocational rehabilitation, or the Iowa department for the blind. An appeal shall be consistent with the department of education, division of vocational rehabilitation, and Iowa department for the blind appeal processes.

## **261—56.5(15) Award of technical assistance grants.**

**56.5(1) Awards.** Technical assistance grants may be awarded up to \$10,000 per applicant. Technical assistance grants shall be used for specialized technical assistance provided by a qualified consultant. Specialized technical assistance may include, but is not limited to, market analysis, marketing plans, engineering, legal, computer services, preliminary business plan development, financial packaging, and follow-up technical assistance following business start-up, expansion, or acquisition. Technical assistance grant applicants will be eligible for an additional 10 to 20 consulting hours of follow-up technical assistance when the business is started, expanded, or acquired.

**56.5(2) Award process.** Upon approval of the application by the IDED program manager, generally within 30 days, an applicant will receive notification of eligibility to pursue technical or financial assistance. The letter will request submission of a project plan and budget if the applicant is pursuing technical assistance or submission of a sources and uses statement if the applicant is pursuing financial assistance, to be returned to the program manager.

**56.5(3) Approval of project plan and budget.** A project plan and budget form will accompany notification letters. The project plan and budget form will require an applicant to identify specific steps in the business planning process, who will be involved in each step of the process, budgetary guidelines, and a timeline. The completed project plan and budget form must be signed by the applicant and submitted to the IDED program manager for approval. Upon approval, copies will be forwarded to the DVR or the IDB counselor for ratification.

**56.5(4) Technical assistance grant contracts.** IDED shall negotiate contracts with qualified business consultants for delivery of services to an applicant. The contracts shall state hourly fees for services, type of service to be provided and a timeline for delivery of services. Authorization for payment will be made by the DVR or the IDB counselor based upon the negotiated rate as noted in the project plan and budget form.

**56.5(5) Consultants.** Applicants will be provided a list of qualified business consultants by the IDED program manager. The selection of consultant(s) shall be the responsibility of the applicant.

**56.5(6) Case management.** The IDED program manager will commit a specific number of hours of direct consultation to each applicant to ensure the delivery of quality services from the selected consultant and the development of a comprehensive business plan.

## **261—56.6(15) Financial assistance grants.**

**56.6(1) Grant awards.** Financial assistance grants may be awarded for up to 50 percent (not to exceed \$10,000) of the equipment or working capital needed to start, expand, or acquire a business as defined in the sources and uses statement form. The remaining 50 percent of equipment or working capital needed to start, expand, or acquire a business shall be provided by an applicant through conventional financing or other sources. Working capital may include, but is not limited to, design and printing of marketing materials, advertising, rent (up to six months), direct mail postage, raw materials, inventory, insurance (up to six months), and other start-up, expansion, or acquisition costs. It is a goal of the program that program funds assist an applicant in also securing financing from a commercial or private source.

**56.6(2) Approval of sources and uses form.** The sources and uses form will define specific financial needs for business start-up, expansion, or acquisition. Sources and uses forms shall be provided to an applicant by the IDED program manager following evaluation of the application for the entrepreneurs with disabilities program and the submission and review of a business plan. Completed sources and uses forms shall be submitted to the IDED program manager and the DVR or the IDB counselor. The IDED program manager, the DVR or the IDB counselor, and client will meet to review the sources and uses form. Generally, this process shall be completed within 30 days from submission. Upon approval by the IDED program manager, copies will be forwarded to the DVR or the IDB counselor for ratification.

**56.6(3) Award process.** Upon approval of the sources and uses statement form by the IDED program manager, an applicant shall be sent a notification letter from the program manager which shall state the amount and conditions of the award.

**56.6(4) Financial assistance grant contracts.** Contracts for financial assistance grants shall be the responsibility of the division of vocational rehabilitation or Iowa department for the blind and will be consistent with authorized use of Title I vocational rehabilitation funds.

**261—56.7(15) Monitoring.** The program manager reserves the right to monitor the consultants' records to ensure compliance with the terms of the contract.

These rules are intended to implement Iowa Code section 15.313(2) "g."

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